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ABSTRACT

A summary is presented of the 1985-87 community college operating budget request for the Washington State Community colleges, along with a description of the policy considerations inherent in the request and the anticipated effect of the request on community college programs. The philosophy and objectives underpinning the budget request are discussed; and the status and performance of the community college system in the areas of enrollments, instructional costs, and program offerings are reviewed. The process for establishing the level of the 1985-87 budget request is presented, along with a priority list of 15 improvement decision packages for the period in the areas of state-mandated cost increases; instructional equipment; rentals; enrollment growth; basic skills/student assessment; faculty and staff development; reduction of deferred plant maintenance; administrative computing; upgrading of institutional support; improvement of custodial and grounds maintenance; strengthening of plant security; library collections and staffing; student services improvements; instructional supplies and support staff; and reduced operations in dedicated fund areas. A rationale for and discussion of salary increases in provided, the 1985-87 operating budget request is summarized, and a target budget is offered. Appendices include financial data. (HB)

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1985-87 Community College Operating Budget Request

MANAGEMENT SUMMARY

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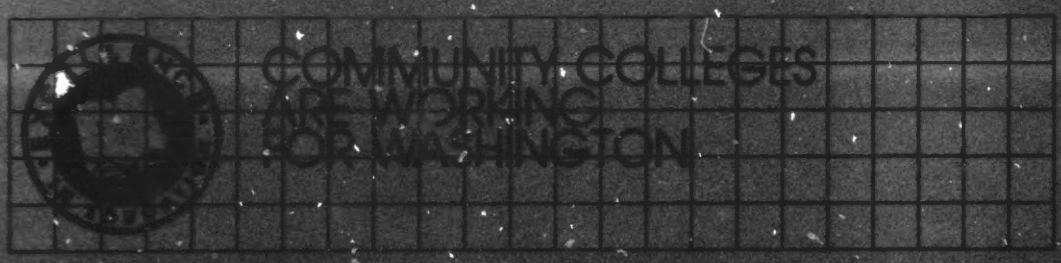

1985-87 Community College System Operating Budget Request

MANAGEMENT SUMMARY

Extracted from the 1985-87 operating budget request for the Washington Community College System, adopted by the State Board for Community College Education on September 6, 1984, and submitted to Governor John Spellman. Figures in this report do not include funds requested for the office of State Board for Community College Education.

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY COLLEGE EDUCATION

319 Seventh Avenue, Olympia, WA 98504

Dorothy Plath, Chair
John N. Terrey, Executive Director

Preface

The 1985-87 operating budget request ranks with capital budget and funding at the top of the priority list of the community college system for the 1985 legislative session.

The system budget request as presented to Governor Spellman is, however, approximately 500 pages long and includes highly detailed statistical information.

It is important that community college trustees and administrators understand the budget request in order to communicate about its objectives and rationale to those inside and outside their institutions.

The purpose of this summary, therefore, is to describe the policy considerations inherent in the budget request and to summarize its contents and their anticipated effect on community college programs. Detailed data on the budget request is available to those who are interested and may be obtained through the State Board for Community College Education staff.

HIGHLIGHTS

1985-87 Operating Budget Request

Philosophy and Objectives (Page 1)

- To respond to the demand for excellence in education.
- To strengthen the role of community colleges in Washington's economic develoment, particularly in high technology and small business education and training.
- To accommodate modest enrollment increases, largely in major metropolitan areas, which are generally associated with meeting the anticipated needs of business and industry.

Status and Performance (Page 2)

- Through close regulation of enrollment, community colleges met the principal requirements of the 1983-85 operating budget.

Establishing the Level of the 1985-87 Budget Request (Page 3)

- Costs of maintaining the current level of community college operations unchanged through the 1985-87 biennium were estimated.
- To the cost of maintaining the current level of operation was added the cost of the 15 highest-priority improvement needs identified through a planning process involving each community college district.

Salary Increases (Page 15)

- An 11.8 percent salary increase for 1985-86 and at least 5.2 percent for 1986-87 is recommended for community college faculty.

Budget Summary (Page 15) (state funds only)

Current (1983-85) level	$461,874,187
To maintain the current level during 1985-87	58,552,497
To fund the 15 highest priority improvements	73,112,590
1985-87 Budget Request	$593,539,274

Target Budget (Page 15)

The State Board is required to submit a "target budget" which assumes that no new revenue will be available for the 1985-87 biennium. The effect of the target budget would be to hold community colleges to 95 percent of their current level of operations which would necessitate an enrollment reduction from the current 83,000 full-time equivalent students to 78,850 in 1985-87.

Appendices (Page 16)

A. 1985-87 Budget Request Compared with 1983-85
B. Cost of Maintaining Current Level
C. Enrollment Request by District - 1985-87
D. Decision Packages - Cost by Program
E. 1985-87 Target Budget

I. BUDGET PHILOSOPHY AND OBJECTIVES

The 1985-87 budget request of Washington's community college system sets forth the funding required to achieve these major objectives:

- To respond to the public demand for excellence in education through restoration and enhancement of quality programming, particularly in the areas of basic skills instruction, faculty and staff development, libraries and student services.

- To strengthen the critical role Washington's community colleges play in the state's economic development, particularly in high technology and small business education and training, through acquisition of up-to-date instructional equipment and computing systems.

- To accommodate a modest portion of the enrollment demand associated with high technology education and training, small business assistance, economic recovery and population increases anticipated in the state's major metropolitan areas.

Washington's community colleges have committed themselves to full partnership with business, industry, labor and government to help bring about the recovery and development of the state's economy. Community colleges are playing a major role in high technology education and training, particularly in the Seattle, Spokane, Tri-Cities and Vancouver metropolitan areas. Community colleges have conducted most of the job skills training grants authorized by the 1983 legislation to provide training tailor-made to the needs of new employers and existing employers intent on becoming more productive.

Community colleges have launched a statewide effort to assist small business, recognizing its primary role in the state's economy and job market.

To realize to the fullest extent their potential contribution to the strengthening of Washington's economy, the community colleges must obtain better support, particularly in the area of state-of-the-art instructional equipment. A respected research organization has recommended substantial appropriations to the community colleges for high technology equipment.

At the same time, community colleges are responding to the demand for excellence in education, strengthening degree requirements and attempting to meet increasing student needs in such areas as mathematics, science and communication skills. Nowhere is the need greater than in basic skills instruction. Increasing standards of excellence place even greater burdens on adults lacking in high school credentials, proficiency in English, and the skills required for college-level study. Yet class sizes in basic skills courses have increased to dangerously high levels as a result of recent budget-related program reductions. Improvement in the area of basic skills instruction is essential as are quality improvements in faculty and staff development, student services, libraries and throughout the college program.

Community college enrollment dropped from a peak of more than 100,000 full-time equivalent students to the current level of 83,000 during the recent period of retrenchment. Collectively, community colleges identified a restoration of demand exceeding 90,000 full-time equivalents through the next biennium. But

the budget request represents a modest increase of 2,314 FTEs in 1985-86 and 1,913 FTEs in 1986-87. The increases are limited largely to those areas in which population increase is anticipated--essentially the major metropolitan areas--and are associated mainly with the needs of business and industry--particularly for high technology education as well as training and small business assistance.

The 1985-87 budget request is presented in two major parts--(1) a statement of the funding required to carry forward unchanged the current level of operations through the next biennium and (2) prioritized statements of needs for improvement in 15 categories, chief among which are instructional equipment, enrollment, basic skills and faculty development.

II. SYSTEM STATUS AND PERFORMANCE

The 1983-85 community college operating budget required the colleges to maintain minimum unit support levels for instruction and for support services. To meet these requirements, it was necessary to regulate the enrollment of students. Failure to contain enrollments at or near the authorized totals would have resulted in underattainment of the prescribed minimums. To assure enrollment totals in compliance with these standards, the community college system initiated enrollment control policies that imposed penalties on individual districts for variations from tolerance limits above or below the student enrollment allocations. Enrollments falling below tolerance band limits triggered a reallocation of FTE students from underproducing districts to those having strong enrollment demand. At the same time, upper limits on enrollments restrained district offerings and tended to hold totals at or near the allocation targets.

For instruction, the 1983-85 budget provided that not less than $1,331 be expended for each full-time equivalent student for the 1984-85 fiscal year and that faculty entitlements for direct instructional and academic administration purposes would be not less than 3,657 full-time equivalent faculty members per year.

The actual expenditure per student for 1984-85 was $1,342.57--greater than the $1,331 minimum required by the proviso. The pertinent faculty employment total was 3,761--also exceeding the required minimum level.

For instructional support, the 1983-85 budget provided that not less than $441 be expended for each FTE student for the 1984-85 fiscal year.

Expenditures for 1984-85 produced a unit support level of $449.94--greater than the $441 required by the proviso.

Another 1983-85 budget proviso required that the community college system maximize enrollment opportunities for vocational students. Toward fulfillment of this proviso, 781 more vocational education course sections were offered than in 1982-83. However, the student enrollment response was mixed. Demand was high in those areas offering the most employment potential--i.e., data processing, technology, and business. Enrollment in these areas increased by 1,153 FTE students, or 10.4 percent. Declining demand in the heavy trades and construction-related areas resulted in 1,620, or 13.8 percent, fewer FTE

students. The high student interest in technological areas coupled with increased program screening meant more students were channeled into basic skills courses first. Enrollment in the basic skills area increased by 968 FTEs, or 12.2 percent.

Reductions in offerings were made in the area of ungraded vocational courses, including industrial first aid, parent education, and apprentice-related training. The corresponding enrollment drop was 325 FTEs, or 10.5 percent.

The 1983-85 budget earmarked $9,665,000 for equipment purchases and $3,310,587 for small school adjustments for the 10 smallest schools in the system. The requirements of these provisos have also been fulfilled during the first year of the biennium.

III. ESTABLISHING THE LEVEL OF THE 1985-87 BUDGET REQUEST

The State Board for Community College Education has a statutory responsibility to prepare a consolidated biennial operating budget request for the 23 community college districts. The preparation of the systemwide request involves a district planning process which identifies projected enrollment and support improvement priorities, as well as the collection of local anticipated revenues.

The first step in the 1985-87 budget request was to project current-level carry forward costs from 1983-85 appropriation levels. These carried-forward costs are developed under OFM-required guidelines on inflation, salary and fringe benefit increases and are described in the summary in Appendix B on Page 17.

The 1985-87 operating budget request also contains a number of decision packages for improvement above current level. Decision packages proposed for 1985-87 reflect priorities from the district planning process and the state-level review of enrollment growth and support improvement requests. These are described in the following section.

IMPROVEMENT DECISION PACKAGES

District planning for 1985-87 identified major areas of budgetary deficiency in direct instruction and in the supporting programs of library, student services, plant maintenance and institutional support.

Each district evaluated its budget needs for 1985-87 and submitted prioritized lists of requested improvements. These lists were summarized by the State Board staff and carefully reviewed by the community college presidents, the State Board and by other representative community college groups. Based on these reviews, community college requests for support improvements were defined and prioritized. A total of 15 improvement packages have been included in the 1985-87 request. The list in priority order is as follows:

Priority 1. State-mandated Cost Increases $ 3,182,924

The community colleges will be forced to absorb a number of mandated cost increases above current level spending, including:

- Implementation of the Semi-monthly Payroll System
- Implementation of Minority and Women-owned Business Purchasing
- Interagency Service Charges
- Performance Pay for Classified Staff Beginning in September 1984

Semi-monthly Payroll

Operating the community college payroll system on a semi-monthly basis has materially increased operating costs. Funds appropriated in 1983-85 were sufficient to cover only the one-time costs of system redesign and expansion of file storage capacity. The ongoing costs of doubled payment has not been funded and has required the diversion of costs from other administrative areas, where essential accounting and reporting activities have deteriorated. For 1985-87, $480,662 is requested to cover these additional costs.

Purchasing Regulations

Reporting requirements arising from the administration of Minority and Women's Business Enterprises legislation have increased the demands upon the already-limited resources which the community colleges dedicate to purchasing and inventory control. In addition to direct costs of additional personnel and goods and services to administer the program, accommodation must be made for the increased cost of the products related to the five percent differential in bid price that is allowed for minority and women-owned industries. For those purchases in which the differential causes the award to be made at costs above market value, it is projected that the resulting added cost approaches $200,000 annually. The 1985-87 budget request includes $624,048 to cover these added costs.

Performance Pay for Classified Staff

The 1982 legislative session passed a civil service reform bill which requires the Higher Education Personnel Board (HEPB) to modify the step-increase procedure to provide for additional salary for superior performance for classified employees. The HEPB staff estimates that the performance pay rules will increase payroll costs by six-tenths of one percent. This increased cost will begin on July 1, 1985, and will continue thereafter as required by statute and the HEPB rules. The 1985-87 budget request seeks $489,188 for these added costs.

Interagency Service Charges

Projected costs of services in 1985-87 have been provided by each agency rendering services to the community college system based on its use of those services. In several cases, the estimates show major increases over the previous biennium. Review of the total budget requests of the self-funding service groups is conducted by the Office of Financial Management to assure that the provision in the budgets of using agencies is consistent with the overall budgets provided the service units.

Included in this category are the Attorney General, State Auditor, Data Processing Authority, State Archivist, Real Estate services, Accounting and Financial Reporting System, and the Higher Education Personnel Board. The 1985-87 budget request includes $1,589,026 to cover these added costs.

Priority 2. Instructional Equipment $17,000,000

The 1983-85 community college appropriation for instructional equipment is $9,665,000. When the second-year figure is adjusted for inflation, it generates approximately $10.7 million for instructional equipment in 1985-87.

This level of equipment funding is wholly inadequate for a system of 27 colleges with a 1983-84 instructional equipment replacement cost value of $98,996,774 of which $62,748,080 is past due for replacement, a system which has major maintenance and repair costs, and emerging needs for new equipment in existing and new programs to keep current with new technology.

When less than $5 million per year in instructional equipment funding is spread among the 23 districts and the 27 colleges, the inadequacy of existing appropriations is more apparent. To illustrate, in 1984-85, Bellevue Community College received $211,229 to cover maintenance, replacement and new equipment acquisitions. The contrast between this allocation and Bellevue's 1985-87 request for $1.3 million for equipment needs, particularly in high tech programs, is typical throughout the community college system.

The present 1983-85 appropriation level did not make up the ground lost to budget cuts which occurred in 1981-83.

In the previous biennium, actual expenditures for instructional equipment were held below the appropriation by $2.4 million to meet faculty tenure and collective bargaining commitments during budget cuts. The impact of foregone purchases continues. Without restoration, instructional quality is forever diminished.

The present status of instructional equipment in the community colleges is unacceptable. That is why equipment funding was designated as among the highest priorities in the system. This assessment is supported by the 1984 Battelle study commissioned by the Governor's Committee on High Technology Training and Advancement. The Battelle report gave the highest priority to equipment and facilities funding. Specifically, the report recommended:

> "The Legislature should authorize $10 million in each of the next three years to upgrade equipment and facilities in high technology programs."

In support of this recommendation, the report further stipulated that "$15,000,000 (one-half of the total) should be appropriated to the State Board for Community College Education...". The study recommended an appropriation of only $5 million for all the rest of higher education.

Community colleges are expected to contribute significantly to the support of high technology. The system welcomes this responsibility but points out that funding levels which provide for equipment replacement on an 18-year useful life cycle with nothing for additional equipment of any kind is far from adequate to carry out this responsibility.

High technology support is only one of the missions assigned to the community colleges. As important and dynamic as it is, it does not stand alone in its need for instructional equipment. Other academic and vocational programs contribute as much or more to the economic condition of the state and to the welfare of its citizens. The need is systemwide and critical if the community colleges are to carry out the missions assigned to them.

Priority 3. Rentals $540,762

Planned rentals for 1985-87 are affected by several factors that will increase total rental costs. First, the normal inflation of lease contracts and rental rates will raise the cost of continuing to use the facilities now rented. Second, the increasing pressure on K-12 school districts to reduce the amount of local special levy support and to "live within the means" of basic state support is causing those districts to seek more favorable rental payments for use of vacant K-12 buildings and for after-hours use of regular elementary and secondary facilities. Third, a number of large facilities, heretofore available at nominal rental rates, must be either replaced or purchased in 1985 at greatly increased cost levels per year. Fourth, a number of new programs or expanded program offerings are proposed for new, off-campus locations because on-campus facilities are not available and/or the clientele requires a specific location. Fifth, many colleges are seeking to restore at least a portion of the off-campus services that were cut in 1981-83, to better serve dispersed populations and working students. Additional funds requested for 1985-87 for increased rentals total $540,762.

Priority 4. Enrollment Growth $12,379,173

The 1985-87 operating budget request recommends enrollments of 85,314 FTE students in 1985-86 and 87,227 FTE students in 1986-87. This represents a modest growth over the 83,000 FTE students funded each year of the current biennium.

The enrollment package was based on an extensive review of local district plans for enrollment growth. Initial district estimates of 94,000 FTE students in 1986-87 were carefully scrutinized by the State Board staff. Criteria for the enrollment review included district documentation of enrollment plans, projected demographic trends in each district and the enrollment history at individual colleges.

The strength of the case for enrollment growth above current level will be reviewed based on Fall 1984 enrollment and staffing experience. It is anticipated the governor's budget office will use the Fall 1984 enrollments for adjusting current level calculations of projected community college enrollments.

In 1960, community college enrollment represented service to .8 percent of the adult population. By 1970 this had risen to 2.5 percent; by 1980 to 3.0 percent. Since 1980, budget reductions have resulted in fewer program offerings by the colleges and tuition increases have made it more difficult for students to attend. In 1984-85, FTE-students will represent service to 2.4 percent of the state's adults.

The major factors impacting enrollment plans for 1985-87 are:

1. An emphasis on quality;
2. The changing composition of the student population;
3. Program plans;
4. Differential enrollment demand.

An Emphasis on Quality

The proposed five percent enrollment growth for 1985-87 reflects only the forecasted five percent population increase and does not move toward restoration of earlier service levels. This is because the primary community college emphasis will be on upgrading the quality of program offerings--through equipment and facilities modernization and faculty development.

The Changing Composition of the Student Population

The dominant characteristic of demographic change continues to be the maturing of the "baby boom," born between 1945 and 1963. As the last members of this group reach maturity, there will be major changes in schools and the workplace. At the same time, the low birthrates of the late 1960s and 1970s mean fewer young students. Between 1985 and 1990, the 17 to 24-year-old population will fall by 5.6 percent. Over the same time period, the 30 to 54-year-old group will grow by 14.7 percent.

Corresponding to this demographic shift, the community colleges expect to see their student population change. Fewer young students will enroll, but a notable increase is expected in adults who are 30 and older, especially women who, it is predicted, will continue increasing their participation in the labor force from 52.7 per 1,000 in 1985 to 55.1 by 1990, and men and women who will seek to upgrade their skills and make mid-career changes. Community colleges have traditionally served these types of students. Community college programs are accessible, adaptable to part-time study, and are occupationally oriented.

Program Plans

As noted above, significant enrollment growth is not planned for 1985-87. In planning program changes, emphasis was placed on making the existing programs more relevant in terms of technology and changing employment. Modernizing programs, through equipment replacement and faculty upgrading, is essential--e.g., introducing word processing into secretarial studies and ultrasound and computer diagnostic equipment into health programs; and using computers as problem-solving tools or instructional aids in virtually all areas.

In the vocational area, the emphasis will be on responsiveness to projected employment trends. High demand is expected to continue in data processing, business, and specialized "high tech" programs--robotics, nuclear technology, laser technology, etc.. Low demand is expected to continue in many of the trade areas, including construction, automotive, diesel, and welding programs.

In the academic area, the emphasis will be on accommodating new "tougher" transfer and degree requirements for both academic and vocational students. These changes, coupled with the increased importance placed on "generalist" training, have resulted in a high demand for math, English and foreign language courses.

In the basic skills area, the emphasis will be on reducing class sizes and providing more comprehensive testing and assessment efforts. Improvements in this area are becoming increasingly critical as more and more students enter community colleges underprepared.

The chart below shows past, current, and planned enrollment levels for the major instructional areas.

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Academic	39,208	38,077	38,080	38,270	39,191	39,784
Vocational	38,947	36,076	35,312	35,605	36,598	37,418
Basic Skills	7,946	7,957	8,925	9,125	9,525	10,025
	86,101	82,110	82,317	83,000	85,314	87,227

In addition to the general program plans described above, three instructional "target" areas have been identified: (1) the carry forward of current FTE-students funded by the Washington High Technology Education and Training Act; (2) delivering training to owners of small businesses, who represent a major growth area in the economy, but who need "survival training" in areas such as cost benefit analysis, office automation, interest rate and cash flow analysis; and (3) restoration of evening program offerings, which were disproportionately reduced during the budget cuts but which serve the growing clientele of older, working adults.

Differential Enrollment Demand

Differing levels of enrollment growth are planned for individual community colleges. Proportionally greater growth is planned for colleges in the "high demand" areas, namely--Spokane, Vancouver, Mt. Vernon, and the Seattle "suburbs," especially the north and east sides. These demand areas were identified through individual district planning and an analysis of historical enrollment patterns.

Appendix C displays the enrollment request levels for the 23 districts.

Priority 5. Basic Skills/Student Assessment $16,061,953

Basic skills instruction is a primary mission of community colleges. In this category are adult basic education, English-as-a-Second Language and developmental programs in reading, writing, and mathematics for students who need remedial assistance before they can successfully contend with college-level programs. More students are entering college without the reading, writing and math skills needed to succeed in freshmen-level academic and vocational courses. The fact that these students are not succeeding or are dropping out is a major concern.

The 1980 census reports that in the State of Washington

--One fourth of adults have less than a high school education.
--Of the 2.4 million people 25 years old and over...
546,395 (22.4%) did not graduate from high school,
252,239 (10.3%) completed only eight years of elementary school or less,
294,156 (12.1%) began high school but did not graduate.

Community colleges served 7,297 FTE students in 1983-84 in adult basic education and developmental education. An additional 1,627 FTE students enrolled in high school completion courses. This 8,924 FTEs is a drop from the 10,245 served in 1980-81.

Class sizes for basic skills classes are too large to be effective. In 1983-84, the student faculty ratio was 33.8 FTE students per faculty member. Average class sizes have risen significantly over the last five years from a low of 26.48 to the current level.

An increasing number of underpreprared students are entering community colleges today. These students require comprehensive assessment and testing, individual attention and smaller class sizes if they are to succeed in regular academic or vocational programs.

In the past two years, two major studies have been completed by the Washington community college system and have led to this budget request. They are:

1. "Platform for Excellence" - April 1983. A Review and Projection of Basic Skills, Developmental and Learning Support Education in Washington Community Colleges.

2. "Illiteracy: The State of Affairs" - May 1984. A study of the illiteracy in the State of Washington, including recommendations to improve the quality of existing efforts in the community colleges of the state.

These studies recommended that:

> Adequate funding be requested to raise the quality of the developmental program. Basic skills and developmental education should be funded at a 15-1 student faculty ratio. (This budget request recommends a 20:1 ratio.)

The studies also recommended that:

> Individual assessment and placement procedures should be established at each community college to document skill levels for entering students and to assure that their educational programming is planned in accordance with their abilities.

The community colleges are the logical lead agency for an expanded adult literacy and basic skills education program because of the magnitude of their programs. The expanded program anticipated in the budget request would include the following features:

1. Reduction of the existing student-teacher ratio in basic skills programs from the present 33.8 to a more realistic 20-1, as a means of improving program quality.

2. Improved assessment and placement programs so that students acquire necessary basic skills before entering college-level programs.

3. Provision of basic skills instruction for projected enrollment growth.

4. Expansion of the use of volunteer tutors and teachers by providing each community college district with at least one full-time volunteer coordinator to identify, train, and supervise the functions of these individuals.

5. Greater utilization of local volunteer agencies and other delivery organizations (public shcools, private agencies, ethnic education centers, etc.) to make certain that the overall program is community-based and as comprehensive as possible.

Priority 6. Faculty and Staff Development $1,406,800

Budgetary constraints have made it virtually impossible for community colleges to support development activities for faculty in terms of professional study, workshops and seminars to help them keep current in their fields or improve their teaching skills.

Retraining and upgrading of faculty competencies consistent with technological advances and changing educational demands is a key aspect of a faculty development program. This theme is repeatedly stated in community college district plans for 1985-87.

This decision package seeks funding at the rate of $200 per FTE faculty member for the FTE faculty projected for 1985-87. These funds would enable colleges to free up released time for a faculty development specialist and to expand campus level, regional, and statewide faculty development activities.

Examples of the types of activities faculty development programs might permit are:

1. Dissemination of information about professional development activities other than those provided on campus (e.g. private, governmental, professional societies, civic organizations, or entrepreneural seminars, meetings, etc.).

2. Application of computer technology to the instructional process.

3. Improved student skill assessment techniques and information.

4. In-plant opportunities for vocational faculty to observe industrial and business personnel needs and operations.

5. Training of volunteers and tutors to augment faculty teaching efforts.

6. Expanded opportunities for faculty to attend professional seminars related to their academic disciplines.

7. Increased development opportunities for the large (approximately 4500) contingent of part-time faculty employed by colleges.

8. Additional employment days for orienting new faculty.

9. Acquisition of expert professional consultants for solving curricular or training programs.

10. Release time for faculty to research and redesign curricula.

11. Acquisition of publications and electronic media materials designed to improve teaching techniques for adult learners.

12. Increased opportunities for faculty members to meet with representatives of business, industry, and other institutions regarding the relevance of educational programs.

13. Making available learning opportunities (e.g. financial planning, personal development, counseling services) that enhance morale and productivity.

Priority 7. Reduce Deferred Plant Maintenance $6,100,000

In terms of the traditional formulas for building maintenance, the community colleges are operating their physical plants at 48.0 percent of formula. This compares with 50 percent of formula intended by the 1983-85 appropriation.

For many years, building maintenance for higher education was funded at 60 percent of the building maintenance formula entitlement. This level of support provided a minimal level of maintenance and repair. The current inability to achieve even the appropriated 50 percent level is attributable to a number of factors, but the most common one has been the necessity for diverting funding from deferrable building maintenance to nondeferrable increases in utility and other fixed costs which have escalated beyond the inflation rates assumed in 1983-85 funding decisions.

The consequence of reduced maintenance outlays has been a steady deterioration in the quality of the community college physical plant. Many buildings are old and many were built to conform with low unit-cost-per-square-foot requirements. The result of this initial inexpensive construction has been progressively higher levels of maintenance cost as capital appropriations requested for major building rehabilitation or replacement have failed to materialize.

The basic need is for funding at a higher percentage of formula entitlement. Restoration to 62.9 percent of the maintenance formula entitlement would help the colleges to make inroads into the deferral of maintenance that has been forced upon the colleges by statewide budgetary constraints. Moving to 62.9 percent of formula would add $6,100,000 to the 1983-85 support level for building maintenance.

Priority 8. Administrative Computing $4,410,506

The community college system has pioneered nationally in the conservation of resources through development of common administrative systems and joint facilities for their use. Among the achievements have been the creation of a uniform budgeting and accounting system, a common student registration and record system, a payroll system that serves all community colleges and some other state agencies, and statewide information systems on courses, facilities, personnel and equipment. Processing of information through these common operating systems is accomplished through a single consolidated computing center. This consolidation of programs and processing facilities has resulted in major cost savings to the state and has greatly improved the quality of community college financial and operating information.

Community colleges have enjoyed the benefits of centralization, namely: common systems; economies of scale; shared equipment and staff; and timely state and federal data reports with consistent definitions. However, the centralized system does not provide for local computing capability or data storage. With the advent of "office automation" and personal computing, the need for an integrated solution to data processing, word processing and local data manipulations has become increasingly apparent. Consequently, in 1982 the community colleges adopted a plan for "distributed computing" that would provide such an integrated local solution while retaining the benefits of central management and shared staff and equipment for those applications for which centralization is more appropriate.

Movement to a distributed approach included the selection of a compatible family of equipment that would support central computing, local computing and local office automation/word processing. An extensive request-for-proposal and evaluation process was conducted and equipment types were selected. However, the current expenditure level for administrative computing is inadequate to take full advantage of the distributed computing plan. Local access to the existing central systems will be possible, but expanded office automation, word processing and local computing will be improved. In addition, increased support costs for the current system including telecommunications increases and system modifications are beyond the current funding level.

The current funding level, per FTE-student, is significantly below the national or state average expenditures for administrative computing--approximately one-third of the national average for community colleges, and one-tenth of that for Washington four-year institutions.

Priority 9. Upgrade Institutional Support $1,377,604

Community colleges are operating at minimal expenditure levels in the institutional support program. Dollar outlays per student are lower in community colleges than in any other segment of higher education, yet the services to be provided are the same in all institutions and community colleges, typical of all small institutions, experience a high volume of fixed costs. Because of fixed costs, the institutional support program in community colleges will average about 15 percent of total institutional costs. This is typical of institutions in which enrollments average 3,000 FTE students. The relationship of institutional support expenditures to total costs rapidly decreases as institutional enrollments increase and the large fixed cost component is spread over a greater number of students.

Because no formulas have ever been developed for the institutional support program, the state has traditionally accepted the current level as a base and provided only a factor to cover inflation. This has perpetuated the low levels of expenditure that have characterized the community colleges since their initial separation from the public school system in 1967.

Community college planning documents repeatedly stress the need to strengthen staff in such key areas as accounting, budgeting, purchasing, inventory control, personnel and general administrative support. The 1981-83 budget reductions took a toll of the already thin ranks in this program, and the funding provided in 1983-85 did nothing to restore these losses. Compounding the problem has

been the growing demand for internal and external fiscal and administrative data reporting. More and more responsibilities and related costs have been forced on the colleges without accompanying funding, forcing the colleges to absorb the burden with existing staff and resources. The consequences of these actions is a need to increase institutional support staff above current operating levels. Staffing improvements are needed in virtually every area within the institutional support program.

Priority 10. Improved Custodial and Grounds Maintenance **$2,050,201**

In 1984-85, community colleges provided custodial services for 9.5 million square feet of building space and maintained 2,352 acres of grounds. In terms of the budget formulas, the colleges operated at 48.0 percent of the formula for custodial services.

Staffing and support costs for custodial and grounds maintenance functions are below those required to maintain proper levels of building cleanliness and grounds care. Funding for the 1983-84 biennium was based on operation at 50 percent of the custodial and grounds formulas. This represented a reduction from a 60 percent funding level that had been in effect for many years. Restoration of support to 62.9 percent of formula would begin to reduce deficiencies. On the average, the funding improvement would add 1.5 custodial positions at each of the 27 campuses.

Priority 11. Strengthen Plant Security **$1,879,799**

In addition to occupying 9.5 million square feet of buildings on 2,352 acres of land, the community colleges possess inventoriable equipment with a replacement cost of $142 million. To protect this investment, the typical community college is able to budget for a single security person for 8-hour-per-day coverage. Many security personnel must also deal with traffic and parking control problems. Traditional funding procedures employed by the State of Washington have projected future needs on the basis of current expenditures. Since the colleges started out with little or no staff for security purposes, the budget projection process has perpetuated the original underfunded condition. In addition to expanding coverage to evening hours, the colleges also need patrol vehicles to facilitate the surveillance of campuses which average 87 acres in size and have an average of 352,539 square feet of building space.

It is proposed that college police, fire and safety functions be expanded through the addition of one security person per campus on the average and that additional resources be provided for vehicle acquisition and general support.

Priority 12. Library Collections and Staffing **$2,804,205**

A fully-developed learning resource program at a community college includes in addition to the customary written materials and services a wide array of audiovisual materials, access to information via electronic and computer methods and opportunities for staff and students to readily use these diverse services.

Unfortunately, community college libraries are understaffed in Washington State, regardless of what standard is applied. Staffing is far below the national standards for two-year college learning resource programs. Staffing has been at less than 50 percent of formula budget standards in recent years. It is recommended community college library staffing be improved by an additional .5 staff member per 1000 FTE and that new library acquisitions equivalent to five percent of national collection standards be funded in 1985-87.

Priority 13. Student Services Improvements $2,803,410

Restoration of staffing cuts suffered in 1981-83 is needed to deal with increased workload in financial aid, counseling and other service areas. Community college service functions now serve 134,857 students (83,000 FTEs) annually. Enrollments are expected to increase to 85,314 FTE students in 1985-86 and 87,227 FTE in 1986-87. To provide the enrollment, recordkeeping, counseling, financial aid and other basic student service functions for these additional students will require additional staff and supporting costs. To maintain support per student at the levels provided in the 1983-85 appropriation, staff and support costs must be added for student services.

Priority 14. Instructional Supplies and Support Staff $1,725,410

Current budgets do not provide sufficient funds to purchase adequate supplies, materials and software for increasingly complex instructional programs. Student access to computer and automated equipment laboratories is limited due to lack of instructional support staff needed to operate lab areas during the full day and evening programs. Without full access to the equipment, learning is hampered--particularly for the afternoon and evening students. Additional instructional technicians are required to provide better service to students. It is proposed that funding be increased over the current level by $10 per student to restore and improve instructional support. Student access to computer and automated equipment laboratories will be increased by adding the necessary classified staff to operate programs during the day and evening hours.

Priority 15. Reduced Operations in Dedicated Fund Areas $(610,157)

Student-funded (formerly called community service) courses are funded from the fees charged to participating students. Coursework is of an avocational nature that does not qualify for state support. Enrollments in community service courses in recent years have been as follows:

	1981-82	1982-83	1983-84	Estimate 1984-85
FTE Student-funded Enrollments	2444.88	2418.45	1916.67	2025.00

District budget plans for 1985-87 project an increase in the level of activity in student-funded courses. This increase has no impact on state tax sources as all additional coursework will be financed by users. The additional costs projected for 1985-87 will be offset by decreased expenditures for ancillary support services.

IV. SALARY INCREASES

Salary improvement is treated separately in the state budget process and is therefore not part of the community college 1985-87 operating budget request. Rather, it is submitted separately as a request of the community college Joint Legislative Committee and the State Board.

To recruit and retain competent faculty in the face of increasing competition from the private sector and other educational systems requires adequate salaries. Salary increases have been identified as a high priority for the 1985 community college legislative program.

The salary and compensation status of Washington community college faculty members was evaluated using a procedure established in cooperation with the Council for Postsecondary Education whereby the average salaries of community college and regional university faculties in Washington were compared. Community college faculty salaries were found to be 10.6 percent below the 1983-84 parity level by this method. When 1984-85 inflation (add 4.8 percent) and a planned January 1985 salary increase (deduct 3.6 percent) were considered, an 11.8 percent average increase for 1985-86 was recommended for the community college faculties. A salary adjustment for the second year of the biennium, 1986-87, would have to take into account an estimated inflation factor of 5.2 percent (1985-86).

V. SUMMARY OF 1985-87 OPERATING BUDGET REQUEST

The 1985-87 operating budget request exceeds the 1983-85 budget level by $133,681,303. This total includes projected cost increases in both state-supported and sponsored programs. Excluding sponsored programs (grant and contract funds), the total increase over 1983-85 is $131,665,087. Expenditures and funding sources for the two bienniums are compared in Appendix A.

A major part of the 1985-87 increase over 1983-85 operating levels results from the cost of continuing to operate at existing workoads after taking into account biennial costs of salary adjustments, insurance changes, nonlabor inflation and statutory revisions that escalate the projected current level cost. Appendix B shows the impact (exclusive of grants and contracts) of these inflation and statutory changes. The table indicates that $58,552,497 of additional costs result from projecting current workloads into the 1985-87 biennium.

The balance of the additional costs--$73,112,590--is associated with the 15 priority improvements, described in the previous section and are summarized in Appendix D.

VI. TARGET BUDGET

The state requires submission each biennium of a "Target Budget," one which budgets expenditures on the basis of no additional revenues to the state general fund.

A 1985-87 target budget for the community college system has been projected at 95 percent of the projected current level. At this funding level, community college enrollments would fall to 78,850 FTE from the current 83,000 FTEs. The probable impact by program is shown in Appendix E.

APPENDIX A

WASHINGTON COMMUNITY COLLEGES*
1985-87 OPERATING BUDGET REQUEST COMPARED WITH 1983-85 BUDGET

PROGRAM	1983-85 Budget	Adjustments To Reach Projected Current Level	Projected Current Level	Additions to Projected Current Level	1985-87 Budget Request
Instruction & Support Services	$270,408,915	$31,392,498	$301,801,413	$42,123,516	$343,924,929
Libraries	20,087,397	2,490,375	22,577,772	3,554,106	26,131,878
Student Services	45,458,925	5,265,070	50,723,995	7,893,172	58,617,167
Institutional Support	69,414,124	9,263,163	78,677,287	8,971,034	87,648,321
Plant Oper. & Maint.	56,[illegible]826	10,141,391	66,646,217	10,570,762	77,216,979
Total State-supported	461,874,187	58,552,497	520,426,684	73,112,590	593,539,274
Index	100.0		112.7		128.5
Sponsored Programs	28,388,182	2,016,216	30,404,398	--	30,404,398
Total All Programs	$490,262,369	$60,568,713	$550,831,082	$73,112,590	$623,943,672
SOURCE OF FUNDS					
State General Funds	$443,816,442	$57,833,165	$501,649,607	$73,722,747	$575,372,354
Local General Funds	18,057,745	719,332	18,777,077	(610,157)	18,166,920
Grants & Contracts	28,388,182	2,016,216	30,404,398	--	30,404,398
Total Funds	$490,262,369	$60,568,713	$550,831,082	$73,112,590	$623,943,672
BUDGETED ENROLLMENTS					
First Year	83,000	--	83,000	2,314	85,314
Second Year	83,000	--	83,000	4,227	87,227

*Excludes State Board office.

APPENDIX B

WASHINGTON COMMUNITY COLLEGES*
ADJUSTMENTS TO 1983-85 BUDGET TO REACH PROJECTED CURRENT LEVEL

	Current Biennium		Request Biennium	
	1983-84	1984-85	1985-86	1986-87
Actual Expenditures 1983-84	$220,660,978	$220,660,978	$220,660,978	$220,660,978
Salary Increase 1/1/85		6,410,820	6,410,820	6,410,820
Health Insurance Increase 7/1/84		588,354	588,354	588,354
OASI Rate and Base Change 1985		415,089	415,089	415,089
Unemployment Compensation		(1,906,508)	(1,906,508)	(1,906,508)
Merit System Increments 1985		419,847	419,847	419,847
Comparable Worth		150,893	150,893	150,893
TIAA/CREF Base Increase		40,956	40,956	40,956
Level of Service Change		10,683,850	10,683,850	10,683,850
TIAA/CREF Supplemental Incr.		31,008	31,008	31,008
Inflation 1985		2,006,192	2,006,192	2,006,192
Energy Inflation 1985		1,711,730	1,711,730	1,711,730
Carry Forward Cost Salary Increase 1/1/85			4,947,358	4,947,358
OASI Base and Rate Change 1986			176,858	176,858
Unemployment Compensation			1,571,826	1,571,826
Merit System Increments 1986			419,847	419,847
PERS Rate Change 1986			563,725	563,725
TRS Funding Change			5,504,550	5,504,550
Unfunded Faculty and Exempt Sal. Incr. 1/1/85			342,145	342,145
TIAA/CREF Base Increase			40,956	40,956
TIAA/CREF Supplementation			40,468	40,468
General Inflation 1986			2,820,728	2,820,728
Energy Inflation 1986			832,725	832,725
New Rentals 1986			382,010	382,010
OASI Rate and Base Change 1987				170,942
Unemployment Compensation 1987				(1,571,826)
Merit System Increments 1987				419,847
TIAA/CREF Base Change 1987				40,956
TIAA/CREF Supplementation				53,186
General Inflation 1987				2,607,995
Energy Inflation 1987				797,340
New Rentals 1987				195,434
Annual Total	$220,660,978	$241,213,209	$258,856,405	$261,570,279
Biennial Total		$461,874,187		$520,426,684
Add: Current Level Adjustments		58,552,497		--
Add: Decision Packages		73,112,590		73,112,590
Total, 1985-87 Request*		$593,539,274		$593,539,274

*Excludes grants and contracts and State Board office.

APPENDIX C

COMMUNITY COLLEGE ENROLLMENT REQUEST
1985-86 and 1986-87

Community College	1984-85 Funded Levels	Request Levels 1985-86	Request Levels 1986-87	Growth to 1986-87
Peninsula	986	1,000	1,010	24
Grays Harbor	1,232	1,279	1,310	78
Olympic	3,204	3,314	3,387	183
Skagit Valley	2,536	2,628	2,714	178
Everett	3,577	3,629	3,663	86
Seattle District 6	11,381	11,685	11,973	592
Seattle Central				
Seattle North				
South Seattle				
Shoreline	4,317	4,409	4,470	153
Bellevue	4,018	4,182	4,336	318
Highline	4,537	4,694	4,799	262
Green River	3,725	3,785	3,825	100
Ft. Steilacoom	4,074	4,205	4,329	255
District 12	3,524	3,603	3,655	131
Centralia				
So. Puget Sound				
Lower Columbia	2,177	2,210	2,232	55
Clark	4,266	4,413	4,552	286
Wenatchee Valley	1,720	1,755	1,779	59
Yakima Valley	2,753	2,845	2,907	154
District 17	11,258	11,600	11,923	665
Spokane				
Spokane Falls				
Big Bend	1,124	1,144	1,158	34
Columbia Basin	3,336	3,436	3,503	167
Walla Walla	2,171	2,210	2,236	65
Whatcom	964	1,005	1,045	81
Tacoma	3,156	3,218	3,260	104
Edmonds	2,964	3,065	3,161	197
SYSTEM TOTALS	83,000	85,314	87,227	4,227

APPENDIX D

WASHINGTON COMMUNITY COLLEGES*
1985-87 OPERATING BUDGET REQUEST - DECISION PACKAGES

	Decision Package	Instruction	Primary Support	Library	Student Services	Institutional Support	Plant O&M	Total
1	State-Mandated Cost Increases	$ --	$ --	$ --	$ --	$3,182,924	$ --	$ 3,182,924
2	Instructional Equipment	17,000,000	--	--	--	--	--	17,000,000
3	Rents and Other Fixed Costs	--	--	--	--	--	540,762	540,762
4	Enrollment Growth	9,294,536	651,786	749,901	1,682,950	--	--	12,379,173
5	Basic Skills/Assessment	12,655,141	--	--	3,406,812	--	--	16,061,953
6	Faculty and Staff Development	1,406,800	--	--	--	--	--	1,406,800
7	Plant Maintenance	--	--	--	--	--	6,100,000	6,100,000
8	Administrative Computing	--	--	--	--	4,410,506	--	4,410,506
9	Upgrade Institutional Support	--	--	--	--	1,377,604	--	1,377,604
10	Custodial and Grounds Upgrade	--	--	--	--	--	2,050,201	2,050,201
11	Strengthen Plant Security	--	--	--	--	--	1,879,799	1,879,799
12	Improve Library Collec. & Staff.	--	--	2,804,205	--	--	--	2,804,205
13	Improve Student Services	--	--	--	2,803,410	--	--	2,803,410
14	Improve Instruc. Supplies & Suppt.	1,725,410	--	--	--	--	--	1,725,410
15	Comm.Ed. & Ancillary Suppt. Svc.	349,508	(959,665)	--	--	--	--	(610,157)
	Total	$42,431,395	$(307,879)	$3,554,106	$7,893,172	$8,971,034	$10,570,762	$73,112,590

*Excludes State Board office.

APPENDIX E

WASHINGTON COMMUNITY COLLEGES*
1985-87 TARGET BUDGET PROJECTION

PROGRAM	1983-85 Budget	Projected Current Level	Reductions from Projected Current Level	Target Budget for 1985-87
Instruction & Support Services	$270,408,915	$301,801,413	$15,090,066	$286,711,347
Libraries	20,087,397	22,577,772	1,128,891	21,448,881
Student Services	45,458,925	50,723,995	2,536,206	48,187,789
Institutional Support	69,414,124	78,677,287	3,933,864	74,743,423
Plant Oper. & Maint.	56,504,826	66,646,217	3,332,310	63,313,907
Total State-supported	461,874,187	520,426,684	226,021,337	494,405,347
Sponsored Programs	28,388,182	30,404,396	1,520,220	28,884,178
Total All Programs	$490,262,369	$550,831,082	$27,541,557	$523,289,525
SOURCE OF FUNDS				
State General Funds	$443,816,442	$501,649,607	$25,082,489	$476,567,118
Local General Funds	18,057,745	18,777,077	938,848	17,838,229
Grants & Contracts	28,388,182	30,404,398	1,520,220	28,884,178
Total Funds	$490,262,369	$550,831,082	$27,541,557	$523,289,525
BUDGETED ENROLLMENTS				
First Year	83,000	83,000	4,150	78,850
Second Year	83,000	83,000	4,150	78,850

*Excludes State Board office.

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